

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Washington

## Requirement for Third Party Liability - Payment of Claims

1. The method to determine compliance with requirements of Section 433.139 (b)(3)(ii)(c) is as follows: The state plan as referenced herein requires providers to bill third parties. In a case where medical support is being enforced by the state Title IV-D Agency, the provider will be required to submit written documentation that he has billed the third party and has not received payment from the third party. It must be at least 30 days from the date of service, before the state will pay.

This same method will be used to meet the requirements contained in Section 433.139 (b)(3)(i).

2. The threshold amount is \$15.00/claim. This applies to both casualty and health insurance recoveries.

All claims for medical services are cost avoided if there is a TPL file in the master eligibility file indicating health insurance coverage.

3. The State Agency will seek recovery from the third party within 60 days after the end of the month in which payment was made. The State Agency will also seek recovery, within 60 days of the date the State Agency learns of the existence of a third party or when benefits become available.

The 60-day requirement in both instances applies unless the threshold of \$15/claim has not been reached.

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For Casualty recoveries, the Department will comply with 42 U.S.C. §1396a (a) (25) (B) and use the following factors and guidelines in determining whether to pursue recovery of benefit, after deduction of the Department's proportionate share of attorney's fee and cost, from a liable party.

1. Ascertain the amount of Medicaid lien and the amount of the gross settlement.
2. Determine whether the Medicaid lien plus attorney's fees and costs will exhaust or exceed the settlement funds.
3. If the answer to 2 is Yes; and if the department:
  - a. Is informed the client will not pursue the claim;  
-or
  - b. Cannot handle the case, once it is tendered to the Department by the client or the client's attorney to pursue on behalf of the client; or
  - c. Made reasonable effort to ascertain the client's intention regarding the claim, but could not obtain a response;then the department shall follow procedures stated in 4.
4. The Department shall consider the cost effectiveness principle in determining what is the estimated net recovery amount to be pursued, based on the likelihood of collections. Net recovery amount is defined as that amount of recovered dollars to apply to Medicaid costs. In determining the estimated recovery amount, the following factors will be considered:

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4. (continued)
  - a. Settlement as may be affected by insurance coverage or other factors relating to the liable party;
  - b. Factual and legal issues of liability as may exist between the client and liable party;
  - c. Problems of proof faced in obtaining the award or settlement; and
  - d. The estimated attorney's fee and costs required for the Department to pursue the claim.
5. After considering the above factors, the Department may pursue a lesser recovery amount to the extent that the department determines it to be cost-effective to do so.

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